

contained in this agreement. Great care has been taken in this respect. We have not a Minister of Railways and Canals with *carte blanche* in the construction of a trans-continental line. This would be a very pleasant position, no doubt, for a public official to occupy; but in the construction of the eastern section, we have a joint supervision provided for on the part of the company and on the part of the government. The company is interested in having the road constructed as cheaply as possible, as it has to pay three per cent interest on the cost. It has joint supervision with the government in the letting of contracts and the construction of the line. This provision will secure—perhaps such a provision would be unnecessary with a government like this—economy of construction to the utmost attainable extent. Then, we have a provision in the public interest that the standard of the road, west of Winnipeg shall be equal to the standard of the Grand Trunk between Toronto and Montreal. That is a much higher standard than that of any road that the west now possess.

An hon. MEMBER. No.

Mr. CHARLTON. Yes. The Mackenzie & Mann road is laid with 60 pound rails. The Grand Trunk between Toronto and Montreal is laid with 80 pound rails, and in some sections 90 pound rails. It is a first-class road, with the best bridges and with low grades. And, if this provision in the contract is complied with and the Grand Trunk builds a road in the west that shall not be inferior to the Grand Trunk between Montreal and Toronto, it will build a road thirty or forty per cent better than any road now in that western country. Compare these conditions with those that were imposed on the Canadian Pacific Railway when it was built. That company was under obligation to build a road equal to the standard of the Union Pacific when it was first constructed—a road whose rails were laid on cottonwood ties two feet apart, ballasted with frozen dirt in the winter, and with grades as high as 90, or even 100 feet to the mile. There are other important conditions in this contract. We have a provision in section 16 that the government may improve the eastern section. So, if this road is not kept in condition to answer the purposes of the government, in a condition to secure the trade for the maritime ports and Quebec, the government may step in and put the road in condition necessary for this purpose, and charge the cost to the company.

Hon. Mr. HAGGART. No, no.

Mr. CLANCY. The interest.

Mr. CHARLTON. Yes, to the company. It is capitalized at the cost of the company. The government is adopting provisions with regard to the eastern section, stringent provisions, that insure against the deteriora-

tion of the line, that insure its maintenance at the same standard of efficiency as the rest of the road. Then there is the provision I have already referred to with regard to the hauling rights, made in the interest of the shipper of the west and of the whole country, that will be vastly beneficial to the transportation interest of Canada. The government has a mortgage that covers the road-bed and the rolling stock and is ample security for all its advances by way of guarantee. Then there is a clause providing for the purchase of Canadian material. My hon. friends on the other side may say that this does not amount to anything, because the company is not obliged to purchase Canadian materials, unless it can get them advantageously as other materials. But I think this clause secures to us an important advantage. The time will come, and come very soon, unless we get advantageous trade conditions from the United States, when we shall have duties high enough to assure the purchase of materials in Canada; and this condition that the company shall purchase its materials in Canada will prove a great boon to the manufacturing interest of this country. Then, the government has control of rates, which I have already alluded to. It has provision for continuous and efficient operation of the road, and it has that condition secured by a provision in the agreement which says that when the lease is drawn the government shall have plenary powers and powers of imposing penalties in the event of this condition not being complied with. This agreement provides that the rates on export trade shall be no greater to Canadian ports than to American ports. The road must absolutely place Canadian seaports on the same basis with regard to advantage as it places other seaports. It was said last night that that company could evade this provision by sending its agents to the west to secure freight routed to American ports. If it did this, it would violate clause 43, which provides that there shall be no discrimination on the part of a railway company in favour of American routes. Then there is a condition that the company shall provide ample shipping accommodation at Port Simpson, Quebec, Halifax, St. John or any other ocean port that its business reaches. The attempt was made last night to convey the impression that of the \$45,000,000 of stock which this company is to issue, \$25,000,000 was to be treated in some way so that the manipulators of this contract could put it in their own pockets—confiscate it. Why, the \$20,000,000 of preferred stock is to secure \$20,000,000 of rolling stock for the road. That is the purpose to which it will be devoted. The \$25,000,000 of common stock is to be laid aside and put upon the market for the purpose of constructing elevators and other shipping facilities at the end of the route that the government stipulates that it shall furnish and other such